

1999 DRAFTING REQUEST

Bill

Received: **10/12/98**

Received By: **kahlepj**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 6-7329**

By/Representing: **Justus**

This file may be shown to any legislator: **NO**

Drafter: **kahlepj**

May Contact:

Alt. Drafters:

Subject: **Econ. Development - bus. dev.**
Econ. Development - misc.

Extra Copies:

Topic:

DOA:.....Justus - Create an early planning grants program to be funded from the Wisconsin development fund

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kahlepj 10/15/98	gilfokm 10/16/98		_____			State
/P1	kahlepj 10/21/98	gilfokm 10/21/98	lpaasch 10/19/98	_____	lrb_docadmin 10/19/98		
/1			lpaasch 10/21/98	_____	lrb_docadmin 10/21/98		
/2	kahlepj 10/22/98	gilfokm 10/22/98	lpaasch 10/22/98	_____	lrb_docadmin 10/22/98		
/3	kahlepj 02/2/99	gilfokm 02/3/99	ismith 02/3/99	_____	lrb_docadmin 02/3/99		

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/1			lpaasch 10/21/98	_____	lrb_docadmin 10/21/98		
/2	kahlepj 10/22/98	gilfokm 10/22/98	lpaasch 10/22/98	_____	lrb_docadmin 10/22/98		

FE Sent For: *13-2-3-99* *IS 2/3/99* *IS/HH 2/3/99*
<END>

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/?	kahlepj 10/15/98	gilfokm 10/16/98		_____			State
/P1	kahlepj 10/21/98	gilfokm 10/21/98	lpaasch 10/19/98	_____	lrb_docadmin 10/19/98		
/1		12-10-22 KMG	lpaasch 10/21/98	_____	lrb_docadmin 10/21/98		
			10/22 LP. 10/22 LP JP				

FE Sent For:

<END>

1999 DRAFTING REQUEST

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By/Representing: Justus

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Drafter: kahlepj

May Contact:

Alt. Drafters:

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Econ. Development - misc.

Extra Copies:

Topic:

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Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1?	kahlepj	10/1-10-16 KMG	10/11/9 L.P.	10/11/9 L.P. JP			

FE Sent For:

<END>

WDF: Early Planning Grants

med

Intent. The Department proposes to amend the Wisconsin Development Fund statutes (s. 560.60, et. al., Stats.) to authorize Commerce to allocate up to \$250,000 biennially from the Wisconsin Development Fund to establish an early planning grant program for projects that are located in urban areas. The intent is to ensure that the entire state is covered by an early planning grant program. Currently, the Rural Economic Development Program covers a city, village or town located in a county with a population density of less than 150 persons per square mile or a city, village or town with a population of 6,000 or less (s. 560.17 (1) (d)). With this change, the Department wants to cover a business that is located in a city, village, or town with a population density of 150 persons per square mile or greater, or a business located in a city, village or town with a population greater than 6,000. The program is to be similar to the other early planning programs for the Minority Business Development Fund, Rural Economic Development Fund, etc. in terms of matching requirements and maximum loan size (\$15,000/eligible recipient), etc.

An early planning grant program for urban projects would be consistent with other early planning grant programs that are currently offered by Commerce, and it would complement existing efforts to revitalize the state's urban areas. As noted above, a business that wants to pursue an early planning grant will be able to do, irrespective of the firm's location in the state.

*Dept
spec match*

D. WDF: Allocation for Due Diligence:

Intent. The Department proposes a change in the WDF statutes, s. 560.62 (4), Stats., to authorize Commerce to spend up to 0.5% of GPR that is appropriated under s. 20.143 (1) (c) to pay for evaluation costs, foreclosure costs, and due diligence costs that are incurred in administering the WDF loan portfolio.

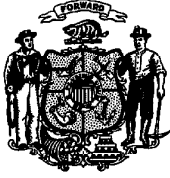
med

Section 560.62 (4), Stats., authorizes the Department to use up to 1% of the GPR allocation under s. 20.143 (1) (c), Stats., for peer reviews under the Technology Development Fund Program; however, this provision does not extend to other WDF programs or expenses. Collection costs that the Department incurs from a defaulted loan cannot be offset by the proceeds from the sale of remaining assets, which means that funds to offset the collection costs are shifted from the program's supplies and services budget. If the supplies and services budget is low, it can preclude the Department from pursuing collection of the defaulted loan. Similarly, if the Department takes over the title to a building as a result of a loan default, insurance becomes an issue. It may be difficult to obtain insurance on the building because of a limited supplies and services budget.

E. WDF: Loan Origination Fee

Intent. The Department proposes to amend s. 560.68 (3), Stats., to require all WDF award recipients of \$100,000 or more to pay a 1.5% loan origination fee.

Dept



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0557/1

PJK...
KMG

P1

DOA:.....Justus - Create an early planning grants[✓] program to be funded from the Wisconsin development fund

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

SOON
(10-15)
D-note

do not
you cut

1 AN ACT[✓]; relating to: creating an early planning grant program and making
2 an appropriation.

Analysis by the Legislative Reference Bureau

Insert A →

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 SECTION 1. 20.143 (1) (c) of the statutes is amended to read:

4 SECTION 2. 560.175 of the statutes is created to read:

5 **560.175 Urban area early planning grants.** (1) In this section:

6 (a) "Early planning project" means the preliminary stages of considering and
7 planning the expansion or start-up of a business that is or will be located in an urban
8 area in this state.

as affected by 1997
Wisconsin
Act 27,

5/26/99
Insert 1-3

1 (b) “Urban area” means any of the following:

2 1. A city, village or town that is located in a county with a population density
3 of at least 150 persons per square mile.

4 2. A city, village or town with a population of more than 6,000.

5 (2) Subject to subs. (3) and (6), the department may make a grant from the
6 appropriation under s. 20.143 (1) (c) to a person to fund an early planning project.

7 (3) The department may not award a grant to a person under this section unless
8 the person submits an application, in a form required by the department, that
9 contains or describes all of the following:

10 (a) The location of the new or expanding business.

11 (b) The ownership structure of the new or expanding business.

12 (c) The product or service provided by the new or expanding business.

13 (d) The market for the product or service described in par. (c).

14 (e) Competition within the market described in par. (d).

15 (f) Any competitive advantages of the new or expanding business.

16 (g) The person’s estimate of the gross revenue of the new or expanding business
17 over a period specified by the department.

18 (h) The process for manufacturing the product, or providing the services, of the
19 new or expanding business.

20 (i) An estimate of the number of jobs that will be created by the new or
21 expanding business.

22 (j) The person’s experience and training.

23 (k) The person’s estimate of the profit that will be generated by the new or
24 expanding business over a period specified by the department.

1999-2000 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0557/ins
PI
PJK.....

Insert A

o y
COMMERCE AND ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT

Under current law, the department of commerce makes grants under two programs for costs associated with the start-up or expansion of a business, such as the cost of having a feasibility study performed or a marketing plan prepared. Under one of the programs, the business being started or expanded must be at least 51% owned, controlled and actively managed by a minority group member or members. Under the other program, the business must be located in a city, village or town that has a population of 6,000 or less, or in a city, village or town that is located in a county with a population density of less than 150 persons per square mile.

The bill creates a new program under which the department of commerce provides grants for costs associated with the start-up or expansion of a business that is or will be located in this state in a city, village or town that has a population of more than 6,000, or in a city, village or town that is located in a county with a population density of ~~more than~~ *for more* 150 persons per square mile. The department may not award more than \$15,000 to any one person in a fiscal biennium, and may not award more than \$250,000 under the program in a fiscal biennium. A person may not receive a grant unless the person submits to the department a comprehensive informational application and contributes at least 25% of the cost of the project.

FE-S

(end of ins A)

Insert 1-3 ✓

1001

(c)	Helicopter support services	GPR	A	-0-	150,000
(4)	NATIONAL GUARD YOUTH PROGRAMS				
(b)	Badger Challenge program	GPR	A	-0-	330,000
(c)	Youth Challenge program	GPR	A	-0-	700,000
20.505	Administration, department of				
(4)	ATTACHED DIVISIONS, BOARDS, COUNCILS AND COMMISSIONS				
(fm)	National and community service board; Wisconsin promise challenge grants	GPR	C	-0-	424,000
20.566	Revenue, department of				
(3)	ADMINISTRATIVE SERVICES AND SPACE RENTAL				
(b)	Integrated tax system technology	GPR	A	-0-	2,000,000

SECTION 23. 20.143 (1) (c) of the statutes, as affected by 1997 Wisconsin Act 27, is amended to read:

20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements and assistance.* Biennially ~~As a continuing appropriation~~, the amounts in the schedule for grants under s. 560.615; for grants and loans under ss. 560.62, 560.63 and 560.66; ~~for grants under s. 560.145; for loans under s. 560.147; for grants under s. 560.16; for reimbursements under s. 560.167; for providing assistance under s. 560.06; for the loan under 1997 Wisconsin Act 27, section 9110 (7f); and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2 (1), and 1997 Wisconsin Act 27, section 9110 (6g), and 1997 Wisconsin Act ... (this act), section 9110 (1) and (2f).~~ Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal years 1997-98, 1998-99 and 1999-2000 for providing the assistance under s. 560.06. Notwithstanding s. 560.62 (4), of the amounts in the schedule, \$125,000 shall be allocated in each of 4 consecutive fiscal years, beginning with fiscal year 1998-99, for grants and loans under s. 560.62 (1) (a).

SECTION 24. 20.143 (1) (c) of the statutes, as affected by 1997 Wisconsin Act ... (this act), is repealed and recreated to read:

20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements and assistance.* Biennially, the amounts in the schedule for grants under s. 560.615; for grants and loans under ss. 560.62, 560.63 and 560.66; ~~for grants under s. 560.145; for loans under s. 560.147; for grants under s. 560.16; for reimbursements under s. 560.167; for providing assistance under s. 560.06; for the loan under 1997 Wisconsin Act 27, section 9110 (7f); and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2 (1), and 1997 Wisconsin Act 27, section 9110 (6g).~~ Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal years 1997-98, 1998-99 and 1999-2000 for providing the assistance under s. 560.06. Notwithstanding s. 560.62 (4), of the amounts in the schedule, \$125,000 shall be allocated in each of 4 consecutive fiscal years, beginning with fiscal year 1998-99, for grants and loans under s. 560.62 (1) (a).

SECTION 25. 20.143 (1) (ie) of the statutes, as affected by 1997 Wisconsin Act 27, is amended to read:

20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, s. 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560 except s. 560.65, 1989 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m), 1989 Wisconsin Act 336, section 3015 (3gx), and 1997 Wisconsin Act 27, section 9110 (7f), to be used for grants and loans under subch. V of ch. 560 except s. 560.65, ~~for loans under s. 560.147; for grants under s. 560.16, for the loan under 1997 Wisconsin Act 27, section 9110 (7f), and for reimbursements under s. 560.167.~~

SECTION 26. 20.143 (1) (jc) of the statutes is created to read:

20.143 (1) (jc) *Physician and health care provider loan assistance programs repayments; penalties.* All moneys received in penalties under ss. 560.183 (6m) and 560.184 (6n), to be used for loan repayments under ss. 560.183 and 560.184.

SECTION 27. 20.143 (1) (qa) of the statutes, as created by 1997 Wisconsin Act 27, is amended to read:

20.143 (1) (qa) (title) *Business development assistance center; activities and staff; Brownfields redevelopment activities; administration.* From the petroleum inspection fund, the amounts in the schedule for activities of and staff for the business development assistance center under subch. III of ch. 560 administration of brownfields redevelopment activities.

SECTION 27p. 20.215 (1) (b) of the statutes is amended to read:

20.215 (1) (b) *State aid for the arts.* The amounts in the schedule for grants-in-aid or contract payments to groups, individuals, organizations and institutions by the arts board under s. 44.53 (1) (f) and (2) (a) and, for grants and loans related to arts incubators under s. 44.60 and for the grant under 1997 Wisconsin Act ... (this act), section 9105 (1n) (a).

SECTION 27r. 20.215 (1) (b) of the statutes, as affected by 1997 Wisconsin Act ... (this act), is repealed and recreated to read:

ss. 560.145, 560.16, 560.175 and

(end of ins 1-3)

from 97 WIA 237

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0557/dn

PJK.....
King

PI

1. Do you want grants under this new program to be paid out of s. 20.143 (1) (ie) also? Is it possible that these "grants" will have to be repaid and that therefore the repayments should be credited to s. 20.143 (1) (ie)?

2. I did not place this new program in subch. V of ch. 560 because I did not want the existing definitions to apply to this program. Is that okay?

3. The program language is a compilation of the requirements under ss. 560.17 and 560.82. Let me know if you would like any additions, deletions or other changes.

Pamela J. Kahler
Senior Legislative Attorney
266-2682

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0557/P1dn
PJK:kmg:lp

October 19, 1998

1. Do you want grants under this new program to be paid out of s. 20.143 (1) (ie) also? Is it possible that these "grants" will have to be repaid and that therefore the repayments should be credited to s. 20.143 (1) (ie)?
2. I did not place this new program in subch. V of ch. 560 because I did not want the existing definitions to apply to this program. Is that okay?
3. The program language is a compilation of the requirements under ss. 560.17 and 560.82. Let me know if you would like any additions, deletions or other changes.

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Senior Legislative Attorney
266-2682



State of Wisconsin
1999 - 2000 LEGISLATURE

budgeted 0000 - 0001

LRB-0557/2

PJK:kmg:lp

is not run

DOA:.....Justus - Create an early planning grants program to be funded from the Wisconsin development fund

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

*SOON
(10-21)
D-note*

*do not
get cut*

1 AN ACT relating to: creating an early planning grant program and making
2 an appropriation.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under current law, the department of commerce makes grants under two programs for costs associated with the start-up or expansion of a business, such as the cost of having a feasibility study performed or a marketing plan prepared. Under one of the programs, the business being started or expanded must be at least 51% owned, controlled and actively managed by a minority group member or members. Under the other program, the business must be located in a city, village or town that has a population of 6,000 or less, or in a city, village or town that is located in a county with a population density of less than 150 persons per square mile.

The bill creates a new program under which the department of commerce provides grants for costs associated with the start-up or expansion of a business that is or will be located in this state in a city, village or town that has a population of more than 6,000, or in a city, village or town that is located in a county with a population density of 150 or more persons per square mile. The department may not award more than \$15,000 to any one person in a fiscal biennium, and may not award more than \$250,000 under the program in a fiscal biennium. A person may not receive a grant

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unless the person submits to the department a comprehensive informational application and contributes at least 25% of the cost of the project.

~~For further information see the state fiscal estimate, which will be printed as an appendix to this bill.~~

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.143 (1) (c) of the statutes, as affected by 1997 Wisconsin Act 237,

is ~~repealed~~ to read:

repealed and recreated

20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements and assistance.* Biennially, the amounts in the schedule for grants under ~~ss. 560.145, 560.16, 560.175 and 560.615;~~ for grants and loans under ss. 560.62, 560.63 and 560.66; ~~for loans under s. 560.147;~~ ~~for reimbursements under s. 560.167;~~ for reimbursements under s. 560.167; for providing assistance under s. 560.06, for the loan under 1997 Wisconsin Act 27, section 9110 (7f), and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2 (1), and 1997 Wisconsin Act 27, section 9110 (6g). Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal years 1997-98, 1998-99 and 1999-2000 for providing the assistance under s. 560.06. Notwithstanding s. 560.62 (4), of the amounts in the schedule, \$125,000 shall be allocated in each of 4 consecutive fiscal years, beginning with fiscal year 1998-99, for grants and loans under s. 560.62 (1)

(a).

SECTION 2. 560.175 of the statutes is created to read:

560.175 Urban area early planning grants. (1) In this section:

(a) "Early planning project" means the preliminary stages of considering and planning the expansion or start-up of a business that is or will be located in an urban area in this state.

(b) "Urban area" means any of the following:

remove line number

WPO: Change actions

Section 24, and 1997 Wisconsin Act 310, section 1c

Insert 2-17

1 1. A city, village or town that is located in a county with a population density
2 of at least 150 persons per square mile.

3 2. A city, village or town with a population of more than 6,000.

4 (2) Subject to subs. (3) and (6), the department may make a grant from the
5 appropriation under s. 20.143 (1)(c) to a person to fund an early planning project.

6 (3) The department may not award a grant to a person under this section unless
7 the person submits an application, in a form required by the department, that
8 contains or describes all of the following:

9 (a) The location of the new or expanding business.

10 (b) The ownership structure of the new or expanding business.

11 (c) The product or service provided by the new or expanding business.

12 (d) The market for the product or service described in par. (c).

13 (e) Competition within the market described in par. (d).

14 (f) Any competitive advantages of the new or expanding business.

15 (g) The person's estimate of the gross revenue of the new or expanding business
16 over a period specified by the department.

17 (h) The process for manufacturing the product, or providing the services, of the
18 new or expanding business.

19 (i) An estimate of the number of jobs that will be created by the new or
20 expanding business.

21 (j) The person's experience and training.

22 (k) The person's estimate of the profit that will be generated by the new or
23 expanding business over a period specified by the department.

24 (L) The person's estimate of the capital required to complete the early planning
25 project.

1 (m) Potential sources of financing for the early planning project.

2 (n) Any other information that the department requests.

3 (4) A person who receives a grant under this section may use the grant proceeds
4 only for any of the following:

5 (a) To perform a business feasibility study.

6 (b) To prepare a detailed marketing plan.

7 (c) To prepare a detailed business plan.

8 (5) In order to receive a grant under this section a person shall contribute cash,
9 from a source other than the state, in an amount that equals at least 25% of the total
10 cost of the project.

11 (6) (a) In any fiscal biennium, the department may not award to any one person
12 more than \$15,000 in grants under this section.

13 (b) In any fiscal biennium, the department may not award more than \$250,000
14 in grants under this section.

15 (END)

D-note

Insert 2-17 ✓

Section #. 20.143 (1) (ic) of the statutes is amended to read:

20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, s. 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560 except s. 560.65, 1989 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m), 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f), and 1997 Wisconsin Act 310, section 2 (2d), to be used for grants and loans under subch. V of ch. 560 except s. 560.65, for loans under s. 560.147, for grants under s. 560.16, for the ^{loan} ~~loans~~ under 1997 Wisconsin Act 27, section 9110 (7f), and ~~1997 Wisconsin Act 310, section 2 (2d)~~, and for reimbursements under s. 560.167.

NOTE: Par. (ie) is shown as affected by two acts of the 1997 legislature and as merged by the revisor under s.

13.93 (2) (c).

History: 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; s. 13.93 (2) (c).

→ for grants under s. 560.175, ✓

(end of ins. 2-17)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0557/1dn

PJK.....

kmg

This redraft:

1. Removes the fiscal estimate notation at the end of the analysis (we are no longer including this notation on budget drafts). *(1)(c)*
- 2. Repeals and recreates s. 20.143 *(1)(c)* to account for ~~1997 Wisconsin Acts 237 and 310.~~ 1997 Wisconsin Acts 237 and 310.
3. Amends s. 20.143 (1) (ie) to add grants under s. 560.175 as a purpose and to delete loans under 1997 Wisconsin Act 310 as a purpose (the loans may not be paid after June 30, 1999).

Pamela J. Kahler
Senior Legislative Attorney
266-2682

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0557/1dn
PJK:kmg:lp

October 21, 1998

This redraft:

1. Removes the fiscal estimate notation at the end of the analysis (we are no longer including this notation on budget drafts).
2. Repeals and recreates s. 20.143 (1) (c) to account for 1997 Wisconsin Acts 237 and 310.
3. Amends s. 20.143 (1) (ie) to add grants under s. 560.175 as a purpose and to delete loans under 1997 Wisconsin Act 310 as a purpose (the loans may not be paid after June 30, 1999).

Pamela J. Kahler
Senior Legislative Attorney
266-2682

Caroline
Please file copy
computer and give

PA's a need camera copy.

1

560.16, for grants under s. 560.175, for the loans ~~loan~~ under 1997 Wisconsin Act 27,

2

section 9110(7f), and 1997 Wisconsin Act 310, section 2(2d), and for reimbursements

3

under s. 560.167.

4

SECTION 3. 560.175 of the statutes is created to read:

with this note attached re: the correction.

5

560.175 Urban area early planning grants. (1) In this section:

6

(a) "Early planning project" means the preliminary stages of considering and planning the expansion or start-up of a business that is or will be located in an urban area in this state.

9

(b) "Urban area" means any of the following:

10

1. A city, village or town that is located in a county with a population density of at least 150 persons per square mile.

12

2. A city, village or town with a population of more than 6,000.

13

(2) Subject to subs. (3) and (6), the department may make a grant from the appropriation under s. 20.143 (1) (c) to a person to fund an early planning project.

15

(3) The department may not award a grant to a person under this section unless the person submits an application, in a form required by the department, that contains or describes all of the following:

18

(a) The location of the new or expanding business.

19

(b) The ownership structure of the new or expanding business.

20

(c) The product or service provided by the new or expanding business.

21

(d) The market for the product or service described in par. (c).

22

(e) Competition within the market described in par. (d).

23

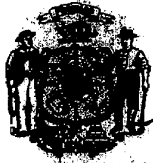
(f) Any competitive advantages of the new or expanding business.

24

(g) The person's estimate of the gross revenue of the new or expanding business

25

over a period specified by the department.



State of Wisconsin
1999 - 2000 LEGISLATURE

Document 0008 - 090

LRB-0557/2
PJK:kmg:lp

DOA:.....Justus - Create an early planning grants program to be funded from the Wisconsin development fund

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

See
(10-22)
D-48

David
grat

- 1 AN ACT relating to: creating an early planning grant program and making
- 2 an appropriation.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under current law, the department of commerce makes grants under two programs for costs associated with the start-up or expansion of a business, such as the cost of having a feasibility study performed or a marketing plan prepared. Under one of the programs, the business being started or expanded must be at least 51% owned, controlled and actively managed by a minority group member or members. Under the other program, the business must be located in a city, village or town that has a population of 6,000 or less, or in a city, village or town that is located in a county with a population density of less than 150 persons per square mile.

The bill creates a new program under which the department of commerce provides grants for costs associated with the start-up or expansion of a business that is or will be located in this state in a city, village or town that has a population of more than 6,000, or in a city, village or town that is located in a county with a population density of 150 or more persons per square mile. The department may not award more than \$15,000 to any one person in a fiscal biennium, and may not award more than \$250,000 under the program in a fiscal biennium. A person may not receive a grant

unless the person submits to the department a comprehensive informational application and contributes at least 25% of the cost of the project.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.143 (1) (c) of the statutes, as affected by 1997 Wisconsin Act 237,
2 section 24, and 1997 Wisconsin Act 310, section 1c, is repealed and recreated to read:

3 20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements and*
4 *assistance.* Biennially, the amounts in the schedule for grants under ss. 560.145,
5 560.16, 560.175 and 560.615; for grants and loans under ss. 560.62, 560.63 and
6 560.66; for loans under s. 560.147; for reimbursements under s. 560.167; for
7 providing assistance under s. 560.06; for the loan under 1997 Wisconsin Act 27,
8 section 9110 (7f); and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg),
9 1995 Wisconsin Act 119, section 2 (1), and 1997 Wisconsin Act 27, section 9110 (6g).

10 Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal years
11 1997-98, 1998-99 and 1999-2000 for providing the assistance under s. 560.06.
12 Notwithstanding s. 560.62 (4), of the amounts in the schedule, \$125,000 shall be
13 allocated in each of 4 consecutive fiscal years, beginning with fiscal year 1998-99,
14 for grants and loans under s. 560.62 (1) (a).

15 **SECTION 2.** 20.143 (1) (ie) of the statutes is amended to read:

16 20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received
17 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, s.
18 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560 except s. 560.65, 1989
19 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m),
20 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f),
21 and 1997 Wisconsin Act 310, section 2 (2d), to be used for grants and loans under
22 subch. V of ch. 560 except s. 560.65, for loans under s. 560.147, for grants under s.

1 560.16; for grants under s. 560.175 for the lease loan under 1997 Wisconsin Act 27,
2 section 9110 (7f), and 1997 Wisconsin Act 310, section 2 (2d), and for reimbursements
3 under s. 560.167.

4 SECTION 3. 560.175 of the statutes is created to read:

5 560.175 Urban area early planning grants. (1) In this section:

6 (a) "Early planning project" means the preliminary stages of considering and
7 planning the expansion or start-up of a business that is or will be located in an urban
8 area in this state.

9 (b) "Urban area" means any of the following:

10 1. A city, village or town that is located in a county with a population density
11 of at least 150 persons per square mile.

12 2. A city, village or town with a population of more than 6,000.

13 (2) Subject to subs. (3) and (6), the department may make a grant from the
14 appropriation under s. 20.143 (1) (c) to a person to fund an early planning project.

15 (3) The department may not award a grant to a person under this section unless
16 the person submits an application, in a form required by the department, that
17 contains or describes all of the following:

18 (a) The location of the new or expanding business.

19 (b) The ownership structure of the new or expanding business.

20 (c) The product or service provided by the new or expanding business.

21 (d) The market for the product or service described in par. (c).

22 (e) Competition within the market described in par. (d).

23 (f) Any competitive advantages of the new or expanding business.

24 (g) The person's estimate of the gross revenue of the new or expanding business
25 over a period specified by the department.

1 (h) The process for manufacturing the product, or providing the services, of the
2 new or expanding business.

3 (i) An estimate of the number of jobs that will be created by the new or
4 expanding business.

5 (j) The person's experience and training.

6 (k) The person's estimate of the profit that will be generated by the new or
7 expanding business over a period specified by the department.

8 (L) The person's estimate of the capital required to complete the early planning
9 project.

10 (m) Potential sources of financing for the early planning project.

11 (n) Any other information that the department requests.

12 (4) A person who receives a grant under this section may use the grant proceeds
13 only for any of the following:

14 (a) To perform a business feasibility study.

15 (b) To prepare a detailed marketing plan.

16 (c) To prepare a detailed business plan.

17 (5) In order to receive a grant under this section a person shall contribute cash,
18 from a source other than the state, in an amount that equals at least 25% of the total
19 cost of the project.

20 (6) (a) In any fiscal biennium, the department may not award to any one person
21 more than \$15,000 in grants under this section.

22 (b) In any fiscal biennium, the department may not award more than \$250,000
23 in grants under this section.

24

(END)

J. note

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0557/~~fdn~~ 2
PJK:kmg:lp

~~October 21, 1998~~

rm not run

This redraft *amends*

1. Removes the fiscal estimate notation at the end of the analysis (we are no longer including this notation on budget drafts).
2. Repeals and recreates s. 20.143 (1) (c) to account for 1997 Wisconsin Acts 237 and 310.
3. ~~Amends~~ s. 20.143 (1) (ie) ~~to add grants under s. 360.175 as a purpose and~~ to delete loans under 1997 Wisconsin Act 310 as a purpose (the loans may not be paid after June 30, 1999).

Pamela J. Kahler
Senior Legislative Attorney
266-2682

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0557/2dn
PJK:kmg:lp

October 22, 1998

This redraft amends s. 20.143 (1) (ie) to delete loans under 1997 Wisconsin Act 310 as a purpose (the loans may not be paid after June 30, 1999).

Pamela J. Kahler
Senior Legislative Attorney
266-2682

Stand and drift:

(c)

(ie)

557 560.175 557 560.175 no delay

558 RN 560.62(4) → 560.607
no delay

1279 assistance under 560.06(2) 1279 ✓ no delay

1582 RP 560.615 1582 add 560.25
~~RP 560.615~~ ← no delay →

1827 US grant under 9110(1)
no delay

2072 NS 1991 US art 2072
9110(1) ↖ ↗
no delay



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0557/8
PJK:kmg:lp

rm6000

DOA:.....Justus - Create an early planning grants program to be funded from
the Wisconsin development fund

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

today
(2-2)
D-vote

do not
you cut

- 1 AN ACT...; relating to: creating an early planning grant program and making
- 2 an appropriation.

**Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT**

ECONOMIC DEVELOPMENT

Under current law, the department of commerce makes grants under two programs for costs associated with the start-up or expansion of a business, such as the cost of having a feasibility study performed or a marketing plan prepared. Under one of the programs, the business being started or expanded must be at least 51% owned, controlled and actively managed by a minority group member or members. Under the other program, the business must be located in a city, village or town that has a population of 6,000 or less, or in a city, village or town that is located in a county with a population density of less than 150 persons per square mile.

The bill creates a new program under which the department of commerce provides grants for costs associated with the start-up or expansion of a business that is or will be located in this state in a city, village or town that has a population of more than 6,000, or in a city, village or town that is located in a county with a population density of 150 or more persons per square mile. The department may not award more than \$15,000 to any one person in a fiscal biennium, and may not award more than \$250,000 under the program in a fiscal biennium. A person may not receive a grant

unless the person submits to the department a comprehensive informational application and contributes at least 25% of the cost of the project.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.143 (1) (c) of the statutes, as affected by 1997 Wisconsin Act 237,
2 section 24, and 1997 Wisconsin Act 310, section 1c, is repealed and recreated to read:

3 20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements and*
4 *assistance.* Biennially, the amounts in the schedule for grants under ss. 560.145,
5 560.16, 560.175 and 560.615; for grants and loans under ss. 560.62, 560.63 and
6 560.66; for loans under s. 560.147; for reimbursements under s. 560.167; for
7 providing assistance under s. 560.06; for the loan under 1997 Wisconsin Act 27,
8 section 9110 (7f); and for the grants under 1995 Wisconsin Act 27, section 9116 (7gg),
9 1995 Wisconsin Act 119, section 2 (1), and 1997 Wisconsin Act 27, section 9110 (6g).
10 Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal years
11 1997-98, 1998-99 and 1999-2000 for providing the assistance under s. 560.06.
12 Notwithstanding s. 560.62 (4), of the amounts in the schedule, \$125,000 shall be
13 allocated in each of 4 consecutive fiscal years, beginning with fiscal year 1998-99,
14 for grants and loans under s. 560.62 (1) (a).

15 **SECTION 2.** 20.143 (1) (ie) of the statutes is amended to read:

16 20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received
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18 560.16, 1995 stats., s. 560.165, 1993 stats., subch. V of ch. 560 except s. 560.65, 1989
19 Wisconsin Act 336, section 3015 (1m), 1989 Wisconsin Act 336, section 3015 (2m),
20 1989 Wisconsin Act 336, section 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f),
21 and 1997 Wisconsin Act 310, section 2 (2d), to be used for grants and loans under
22 subch. V of ch. 560 except s. 560.65, for loans under s. 560.147, for grants under s.

← August 3-3

1 ~~560.16, for grants under s. 560.175, for the loans loan under 1997 Wisconsin Act 27,~~
2 ~~section 9110 (7f) and 1997 Wisconsin Act 310, section 2 (2d), and for reimbursements~~
3 ~~under s. 560.167.~~

4 SECTION 3. 560.175 of the statutes is created to read:

5 **560.175 Urban area early planning grants. (1) In this section:**

6 (a) "Early planning project" means the preliminary stages of considering and
7 planning the expansion or start-up of a business that is or will be located in an urban
8 area in this state.

9 (b) "Urban area" means any of the following:

10 1. A city, village or town that is located in a county with a population density
11 of at least 150 persons per square mile.

12 2. A city, village or town with a population of more than 6,000.

13 (2) Subject to subs. (3) and (6), the department may make a grant from the
14 appropriation under s. 20.143 (1) (c) to a person to fund an early planning project.

15 (3) The department may not award a grant to a person under this section unless
16 the person submits an application, in a form required by the department, that
17 contains or describes all of the following:

18 (a) The location of the new or expanding business.

19 (b) The ownership structure of the new or expanding business.

20 (c) The product or service provided by the new or expanding business.

21 (d) The market for the product or service described in par. (c).

22 (e) Competition within the market described in par. (d).

23 (f) Any competitive advantages of the new or expanding business.

24 (g) The person's estimate of the gross revenue of the new or expanding business
25 over a period specified by the department.

1 (h) The process for manufacturing the product, or providing the services, of the
2 new or expanding business.

3 (i) An estimate of the number of jobs that will be created by the new or
4 expanding business.

5 (j) The person's experience and training.

6 (k) The person's estimate of the profit that will be generated by the new or
7 expanding business over a period specified by the department.

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9 project.

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12 (4) A person who receives a grant under this section may use the grant proceeds
13 only for any of the following:

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18 from a source other than the state, in an amount that equals at least 25% of the total
19 cost of the project.

20 (6) (a) In any fiscal biennium, the department may not award to any one person
21 more than \$15,000 in grants under this section.

22 (b) In any fiscal biennium, the department may not award more than \$250,000
23 in grants under this section.

24 (END)

D-note

Insert 3-3 ✓

*** NOTE: This ~~draft~~ draft removes the treatment of

(c) and (ie). ~~The following~~

Section 20.143(1)(c) has been

affected by drafts with the following

LRB# 's: LRB-0557/2, LRB-0558/1,

LRB-1279/1, LRB-1582/2, LRB-1827/3

and LRB-2072/1. Section 20.143(1)

(ie) ~~has~~ has been affected by drafts with

the following LRB# 's: LRB-0557/2,

LRB-1279/1, LRB-1582/2, and

LRB-2072/1. The reconciled treatment of
s. 20.143(1)(c) and (ie) is contained in LRB-2072/2. ✓

(end of ins 3-3)

D-note

Sarah:

(is one of many that)

This draft reconciles LRB-0557/2,

LRB-0558/1, LRB-1279/1, LRB-1582/2,

LRB-1827/3 and LRB-2072/1.

of these drafts

All except LRB-1827/3, which is

~~reconciled~~ incorporated into

LRB-2072/2, ^{should} should continue

to appear in the compiled bill

PJK

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0557/3dn
PJK:kmg:ijs

February 3, 1999

Sarah:

This draft (is one of many that) reconciles LRB-0557/2, LRB-0558/1, LRB-1279/1, LRB-1582/2, LRB-1827/3 and LRB-2072/1. All of these drafts except LRB-1827/3, which is incorporated into LRB-2072/2, should continue to appear in the compiled bill.

Pamela J. Kahler
Senior Legislative Attorney
Phone: (608) 266-2682
E-mail: Pam.Kahler@legis.state.wi.us



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-0557/3

PJK:kmg:ijs

DOA:.....Justus – Create an early planning grants program to be funded from the Wisconsin development fund

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

- 1 AN ACT ...; relating to: creating an early planning grant program and making
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Analysis by the Legislative Reference Bureau

COMMERCE AND ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT

Under current law, the department of commerce makes grants under two programs for costs associated with the start-up or expansion of a business, such as the cost of having a feasibility study performed or a marketing plan prepared. Under one of the programs, the business being started or expanded must be at least 51% owned, controlled and actively managed by a minority group member or members. Under the other program, the business must be located in a city, village or town that has a population of 6,000 or less, or in a city, village or town that is located in a county with a population density of less than 150 persons per square mile.

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unless the person submits to the department a comprehensive informational application and contributes at least 25% of the cost of the project.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

****NOTE: This draft removes the treatment of s. 20.143 (1) (c) and (ie). SECTION 20.143 (1) (c) has been affected by drafts with the following LRB numbers: LRB-0557/2, LRB-0558/1, LRB-1279/1, LRB-1582/2, LRB-1827/3 and LRB-2072/1. SECTION 20.143 (1) (ie) has been affected by drafts with the following LRB numbers: LRB-0557/2, LRB-1279/1, LRB-1582/2 and LRB-2072/1. The reconciled treatment of s. 20.143 (1) (c) and (ie) is contained in LRB-2072/2.

1 **SECTION 1.** 560.175 of the statutes is created to read:

2 **560.175 Urban area early planning grants. (1)** In this section:

3 (a) “Early planning project” means the preliminary stages of considering and
4 planning the expansion or start-up of a business that is or will be located in an urban
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7 1. A city, village or town that is located in a county with a population density
8 of at least 150 persons per square mile.

9 2. A city, village or town with a population of more than 6,000.

10 **(2)** Subject to subs. (3) and (6), the department may make a grant from the
11 appropriation under s. 20.143 (1) (c) to a person to fund an early planning project.

12 **(3)** The department may not award a grant to a person under this section unless
13 the person submits an application, in a form required by the department, that
14 contains or describes all of the following:

15 (a) The location of the new or expanding business.

16 (b) The ownership structure of the new or expanding business.

17 (c) The product or service provided by the new or expanding business.

18 (d) The market for the product or service described in par. (c).

1 (e) Competition within the market described in par. (d).

2 (f) Any competitive advantages of the new or expanding business.

3 (g) The person's estimate of the gross revenue of the new or expanding business
4 over a period specified by the department.

5 (h) The process for manufacturing the product, or providing the services, of the
6 new or expanding business.

7 (i) An estimate of the number of jobs that will be created by the new or
8 expanding business.

9 (j) The person's experience and training.

10 (k) The person's estimate of the profit that will be generated by the new or
11 expanding business over a period specified by the department.

12 (L) The person's estimate of the capital required to complete the early planning
13 project.

14 (m) Potential sources of financing for the early planning project.

15 (n) Any other information that the department requests.

16 (4) A person who receives a grant under this section may use the grant proceeds
17 only for any of the following:

18 (a) To perform a business feasibility study.

19 (b) To prepare a detailed marketing plan.

20 (c) To prepare a detailed business plan.

21 (5) In order to receive a grant under this section a person shall contribute cash,
22 from a source other than the state, in an amount that equals at least 25% of the total
23 cost of the project.

24 (6) (a) In any fiscal biennium, the department may not award to any one person
25 more than \$15,000 in grants under this section.

